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This report provides weekly updates in the eight key areas identified as pillars of US government policy for victory in Iraq.

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Highlights



- 1. Defeat the Terrorists and Neutralize the Insurgents
 Two Battalion Task Forces from the 1st Armored Division, (about 1,500 soldiers) are moving from Kuwait to Anbar Province for a short-term deployment to support security operations in the province.
- 2. Transition Iraq to Security Self-Reliance Iraqi Army soldiers graduated from an elite junior leadership training course focused on developing and enhancing combat and leadership skills on May 15 in Kirkuk.
- 3. Help Iraqis to Forge a National Compact for Democratic Government Iraqi Prime Minister Nuri al-Maliki said on May 30 that he will overrule squabbling parties in his coalition and present parliament with his personal nominees for the Defense and Interior cabinet posts if they fail to agree this week. Maliki said that if no consensus was found by the next session of parliament on June 4, he would exercise his constitutional right to put his own nominees to a vote.
- 4. Help Iraq Build Government Capacity and Provide Essential Services Installation of 52 compact water units was completed on May 14 in Sadr City, Baghdad Province. The \$5 million US Army project adds more than 400,000 liters of clean drinking water per day to help supply a community of over 500,000 residents.

Highlights



5. Help Iraq Strengthen Its Economy
A new \$250,000 microfinance loan program will soon benefit Baghdad entrepreneurs. The microfinance loan capital is expected to result in at least 660 loans generating 330 new, self-employment opportunities and more than 1,320 new jobs over the next 16 months.

6. Help Iraq Strengthen the Rule of Law
On May 24, Iraq announced the arrest in Lebanon of a nephew of Saddam
Hussein for crimes allegedly committed after the fall of Saddam's regime. Prime
Minister Nuri al-Maliki did not say when Bashar Sabawi Ibrahim Hassan al-Tikriti was arrested in Beirut nor did he give details on the accusations against him.

7. Increase International Support for Iraq
More than 39 countries and international organizations have issued public statements of support for the new Iraqi government; they include: China, Russia, Turkey, UAE, UK, the Arab League, European Union, United Nations, and the United Nations Security Council.

8. Strengthen Public Understanding of Coalition Efforts and Public Isolation of the Insurgents

Prime Minister Nuri al-Maliki appeared live on Iraqi state television on May 31, declaring a state of emergency in Basra for a month and telling reporters that "we hope after this month that we will come back to Basra and see that the situation has improved a lot."

[1.] Defeat the Terrorists and Neutralize the Insurgency



<u>Additional US Soldiers Deploying from Kuwait to Anbar Province:</u>

Two Battalion Task Forces from the 1st Armored Division (about 1,500 soldiers) are moving from Kuwait to Anbar Province to support security operations there. The move is considered a short-term deployment to provide the local and provincial governments with added security.

<u>Iraqi Security Forces Planned and Conducted Operation Chapultepec:</u>

About 500 Iraqi Army soldiers, supported by Coalition Forces (CF) from Multi-National Division-Baghdad (MND-B) and more than 100 Iraqi Police conducted a raid on May 24 in the Ubaydah region of Southern Lutafiyah in response to reports of kidnappings and increased sectarian violence in the area. The successful operation was entirely Iraqi planned and led and resulted in 12 suspects detained and numerous weapons captured, including bomb-making material and small arms.

Coalition Raids Kill Seven Terrorists in Yusifiyah:

In two separate raids on May 23 in the Yusifiyah area, Coalition Forces killed a
total of seven terrorists and detained two. The first group of terrorists was
armed with grenades, small arms, and a suicide vest; the second group was in
possession of Yemeni, Saudi Arabian, Tunisian, Sudanese, and several Iraqi
passports.

[2.] Transition Iraq to Security Self-Reliance – Iraqi Security Forces



<u>Iraqi Army (IA) Soldiers Graduate from Junior Leadership Development Course</u>:

 Twenty IA soldiers graduated from an elite junior leadership training course on May 15 in Kirkuk. The 29-day course focused on developing and enhancing junior leaders' combat and leadership skills and is based on material from the US Army Ranger Handbook.

"Sandhurst in the Sand" -- Iragis Adapt British Military Academy as a Model:

- The Iraqi Military Academy is modeled after Britain's Sandhurst Military
 Academy. The British model was chosen largely because it trains and produces
 officers in a year versus the four-year US Military Academy model.
 - The 12-month course graduated 73 new second lieutenants in January and
 157 in April with a goal to produce 600 new officers each year.
 - The Academy uses infantry skills and tactics as the base of all instruction. The first six weeks focus on changing the civilians into soldiers, emphasizing individual skills and squad-level tactics. The intermediate term strengthens the leadership training with platoon level exercises and has an intense focus on academics and international studies. The final term is field-exercise heavy with emphasis on leadership and counterinsurgency warfare.

[2.] Transition Iraq to Security Self-Reliance – Iraqi Security Forces



Ministry of Interior Forces

COMPONENT	TRAINED & EQUIPPED
POLICE	-402 400
HIGHWAY PATROL	~103,400
OTHER MOI FORCES	~44,300
TOTAL	~145,500*

Ministry of Defense Forces

COMPONENT	OPERATIONAL
ARMY	~116,000***
AIR FORCE	~600
NAVY	~800
TOTAL	~117,900**

Total Trained & Equipped ISF:

~265,600****

- * Ministry of Interior Forces: Unauthorized absence personnel are included in these numbers
- ** Ministry of Defense Forces: Unauthorized absence personnel are not included in these numbers
- *** Army numbers include Special Operations Forces and Support Forces
- **** Does not include the approximately 144,000 Facilities Protection Service personnel working in 27 ministries

Data as of May 29, 2006 (updated bi-weekly by DOD)

[3.] Help Iraqis to Forge a National Compact for Democratic Government— Developments



Defense and Interior Ministers Remain Unnamed:

Iraqi Prime Minister Nuri al-Maliki said on May 30 that he will overrule arguing
parties in his coalition and present parliament with his personal nominees for the
Defense and Interior cabinet posts if they fail to agree this week. Maliki said that
if no consensus was found by the next session of parliament on June 4, he would
exercise his constitutional right to put his own nominees to a vote.

Prime Minister Remains Tough on Disbanding Militias:

Iraqi Prime Minister Nuri al-Maliki said on May 30 that no pro-government party militias would be exempt from his plan to disband irregular armed forces. Pressed to confirm that even the biggest militias run by governing parties would have to go, he specifically named the Kurdish peshmerga, the Mehdi Army of radical Shiite cleric Moqtada al-Sadr and the Shiite Badr movement as being among those that would have to be disbanded. He held out the prospect, however, of favorable treatment for armed groups which fought Saddam's "tyranny" – which would seem to include the peshmerga and Badr forces – from those which arose in the chaos of post-Saddam Iraq.

[3.] Help Iraqis to Forge a National Compact for Democratic Government - Iraqi National Unity Government



Deputy President

Jalal Talabani

Prime Minister

President

Deputy President

Tariq al-Hashimi

'Adil 'Abd al-Mahdi

Deputy Prime Minister

Barham Salih

Nuri al-Maliki

Deputy Prime Minister

Salam al-Zawba'i

(F) = Female

Agriculture Ya'rub Nathim

Minister of

Communications Muhammad Tawfig Allawi

Minister of

Minister of Culture As'ad Kamal

Muhammad Abdallah al-Hashimi

Minister of Foreign Minister of Finance **Affairs**

Hoshyar Zebari

Minister of Defense

Salam al-Zawba'l

(acting)

Minister of Displacement & Migration

Abd al-Samad Rahman Sultan

Minister of **Electricity**

Karim Wahid

Minister of **Education** Khudayyir al-Khuza'i

Minister of **Environment** Narmin 'Uthman (F)

Bayan Jabr

Minister of Health

Ali al-Shammari

Minister of Higher Education

Abd Dhiyab al-Ajili

Minister of Human **Rights**

Wijdan Mikha'il (F)

Minister of Industry & Minerals

Fawzi al-Hariri

Minister of Interior

Nuri al-Maliki (acting)

Minister of Justice

Hashim al-Shibli

Minister of Housing & Construction

Bayan Daza'l (F)

Minister of Labor & **Social Affairs**

Mahmud Muhammad Jawad al-Radi

Minister of Oil

Husayn al-Shahrastani Minister of **Planning**

Ali Baban

Minister of Trade

Abd al-Falah al-Sudani

Minister of Science & **Technology**

Ra'id Fahmi Jahid

Minister of Municipalities & Public Works

Riyad Ghurayyib

Minister of **Transportation**

Karim Mahdi Salih

Minister of Water Resources

Jasim Muhammad Ja'far

Minister of Youth &

Sports

Minister of State for **Civil Society**

Adil al-Asadi

Minister of State for **National Dialogue Affairs**

Akram al-Hakim

Minister of State for National **Security Affairs**

Barham Salih (acting)

Minister of State for **Foreign Affairs**

'Abd al-Latif Rashid

Rafi Hiyad al-Isawi

Minister of State for **Governorates Affairs** Sa'd Tahir Abd Khalaf

al-Hashimi

Minister of State for **Tourism and Antiquities**

Liwa Sumaysim

Minister of State for Women's Affairs Fatin Abd al0Rahman Mahmud (F)

Minister of State for **CoR Affairs** Safa al-Safi

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[4.] Help Iraq Build Government Capacity and Provide Essential Services – Financials from Iraq Relief and Reconstruction Fund (IRRF) 1 and IRRF 2



(Millions of USD)

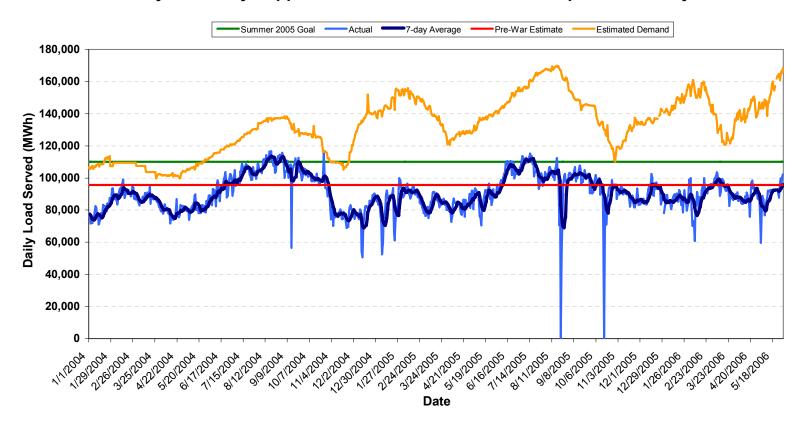
(WITHOUS OF OSD)	Аррог	tioned	(Committed			Obligated			Disbursed	
Sector	2207 Report	Apportion	Last Week	Current	Change	Last Week	Current	Change	Last Week	Current	Change
Security and Law Enforcement	\$5,036.00	\$5,036.00	\$4,935.16	\$4,994.26	\$59.10	\$4,911.68	\$4,911.72	\$0.04	\$4,502.18	\$4,519.43	\$17.25
Electricity Sector	\$4,220.02	\$4,220.02	\$4,021.47	\$4,029.56	\$8.09	\$3,526.20	\$3,518.99	-\$7.21	\$2,174.72	\$2,205.05	\$30.34
Oil Infrastructure	\$1,735.60	\$1,735.60	\$1,678.02	\$1,694.57	\$16.54	\$1,604.14	\$1,607.79	\$3.65	\$948.33	\$953.71	\$5.38
Justice, Public Safety and Civil Society	\$1,315.95	\$1,315.95	\$1,254.45	\$1,253.44	-\$1.01	\$1,215.91	\$1,213.34	-\$2.57	\$844.61	\$851.39	\$6.78
Democracy	\$1,033.85	\$1,033.85	\$983.99	\$983.99	\$0.00	\$983.88	\$983.88	\$0.00	\$722.90	\$733.56	\$10.66
Education, Refugees, Human Rights, Governance	\$410.00	\$410.00	\$354.67	\$359.67	\$5.00	\$353.73	\$353.74	\$0.00	\$271.13	\$273.48	\$2.35
Roads, Bridges and Construction	\$333.71	\$333.71	\$317.91	\$318.04	\$0.12	\$313.29	\$313.33	\$0.04	\$180.86	\$181.56	\$0.70
Health Care	\$739.00	\$739.00	\$719.79	\$709.49	-\$10.30	\$663.28	\$653.20	-\$10.08	\$482.64	\$488.75	\$6.12
Transportation and Communications	\$465.51	\$465.51	\$444.71	\$445.82	\$1.11	\$421.27	\$422.90	\$1.63	\$279.77	\$280.23	\$0.45
Water Resources and Sanitation	\$2,131.08	\$2,131.08	\$1,850.23	\$1,940.67	\$90.44	\$1,594.20	\$1,608.25	\$14.05	\$1,082.00	\$1,088.79	\$6.80
Private Sector Development	\$805.28	\$805.28	\$788.87	\$799.78	\$10.91	\$782.39	\$794.02	\$11.63	\$637.70	\$640.59	\$2.89
Admin Expense (USAID, STATE)	\$213.00	\$213.00	\$212.44	\$212.44	\$0.00	\$212.44	\$212.44	\$0.00	\$101.19	\$101.19	\$0.00
Total	\$18,439.00	\$18,439.00	\$17,561.72	\$17,741.72	\$180.00	\$16,582.40	\$16,593.58	\$11.18	\$12,228.02	\$12,317.74	\$89.72
IRRF II Construction			\$10,081.02	\$10,185.99	\$104.96	\$9,306.77	\$9,288.19	-\$18.58	\$6,409.29	\$6,450.63	\$41.35
IRRF II Non-Construction			\$6,496.70	\$6,571.74	\$75.04	\$6,291.75	\$6,321.51	\$29.76	\$5,095.84	\$5,133.55	\$37.71
IRRF II Democracy			\$976.70	\$979.82	\$3.12	\$975.71	\$979.55	\$3.84	\$722.90	\$733.56	\$10.66
IRRF I Total	\$2,473.30	\$2,473.30	\$2,473.30	\$2,473.30	\$0.00	\$2,231.4	\$2,231.4	\$0.00	\$2,131.70	\$2,131.70	\$0.00
Grand Total IRRF I & II	\$20,912.30	\$20,912.30	\$20,035.02	\$20,215.02	\$180.00	\$18,813.80	\$18,824.98	\$11.18	\$14,359.72	\$14,449.44	\$89.72

As of May 30, 2006

[4.] Help Iraq Build Government Capacity and Provide Essential Services – Electricity Overview



Daily Electricity Supplied and Estimated Demand in Iraq Since January 2004



- Electricity availability in Baghdad increased slightly in the last week (May 23-29) with an average of 4.1 hours per day. Availability is increasing with improved performance by area power plants.
- Nationwide average electricity availability stayed about the same at 9.6 hours per day.
- Estimated countrywide demand is approaching record levels.
- Electricity output since the start of 2006 is 5 percent higher than it was for the same period in 2005.

[4.] Help Iraq Build Government Capacity and Provide Essential Services – Water, Sanitation, and Electricity



Water and Sanitation:

- Installation of 52 compact water units was completed on May 14 in Sadr City, Baghdad Province. The \$5 million US Army project provides adds more than 400,000 liters of clean drinking water per day to help supply a community of over 500,000 residents.
- Construction was completed on the Al Qadisiya sewage pumping station in Mahmoudiya, Baghdad Province on May 16. The \$188,000 US Army project rehabilitated, repaired and supplied equipment for the pumping station which will benefit approximately 25,000 in the community.

Electricity:

 Construction was completed on the installation of the Yusifiyah feeder line in North Babil, Baghdad Province. The \$115,000 US Army project supplied, installed, and tested the feeder line from an old substation to a new substation in the area. This project benefits approximately 11,500 residents in Babil.

[4.] Help Iraq Build Government Capacity and Provide Essential Services – Education



Education:

• A newly constructed school located in the center of Dahuk will provide service to approximately 840 students and 36 teachers. This new two-story complex consists of a 12-classroom school with a detached exterior lavatory building, a play yard and a generator building and is surrounded by a threemeter high perimeter wall. This \$460,000 project was funded by the Iraqi Relief and Reconstruction Fund (IRRF) and built by a local Iraqi construction company. Of the 317 IRRF-funded school projects in the northern region of Iraq, 315 are complete and two are in progress.

National Capacity Development Program:

 The Finance Ministerial Advisory Team at Embassy Baghdad and the UK cosponsored a three day Budget Retreat in Baghdad for Iraqi officials. Over 100 Iraqi officials from all ministries and provincial treasuries participated in training that focused on budget preparation and execution.

[4.] Help Iraq Build Government Capacity and Provide Essential Services – Disaster Assistance



Emergency Relief:

- USAID's Office of Disaster Assistance (OFDA) reached 5,600 displaced Iraqis in April.
- Emergency relief items were distributed through implementing partners to more than 1,200 internally displaced persons (IDPs) in Anbar Province and 4,200 IDPs in Babylon and Karbala Provinces. The IDPs were displaced due to sectarian violence. USAID/OFDA provided the IDPs with tents, mattresses, blankets, cooking stoves, hygiene kits, kitchen sets, plastic sheeting, and clothing.
- In Anbar Province, an OFDA implementing partner is providing healthcare services through seven Mobile Medical Units that benefit approximately 37,500 lraqis, rehabilitating a disabled person's facility and providing essential medical equipment for the general hospital. Additionally, cash-for-work projects in the area have generated an estimated 9,450 employee hours during the past two months.
- OFDA and its implementing partners continue to prioritize humanitarian assistance for IDPs throughout Iraq. Since 2003, OFDA has provided more than 350,000 IDPs with emergency relief commodities.

[5.] Help Iraq Strengthen Its Economy – Oil Update and Job Creation



Oil Update:

- Crude oil prices in world markets for the week ending May 26 closed with the following prices:
 - Basra Light at \$61.37/barrel

– Dated Brent at \$68.97/barrel

WTI Cushing at \$70.59/barrel

- Oman/Dubai at \$63.82/barrel

Employment Update:

The following chart shows the number of Iraqis employed by USG-administered projects:

Employing Organization	Iraqis Last Week	Iraqis This Week	%Increase on Week
PCO (Project and Contracting Office)	28,583	28,583	0.00%
USAID	47,247	47,249	0.00%
AIRP (Accelerated Iraqi Reconstruction Program)	1,158	1,158	0.00%
MILCON (Military Construction)	286	286	0.00%
CERP*	9,247	9,196	-0.55%
MNSTC-I	8,550	8,231	-3.73%
IRRF NON-CONSTRUCTION	15,478	15,478	0.00%
GRAND TOTAL	110,549	110,181	-0.33%

^{*} CERP employment numbers are representative of Baghdad only.

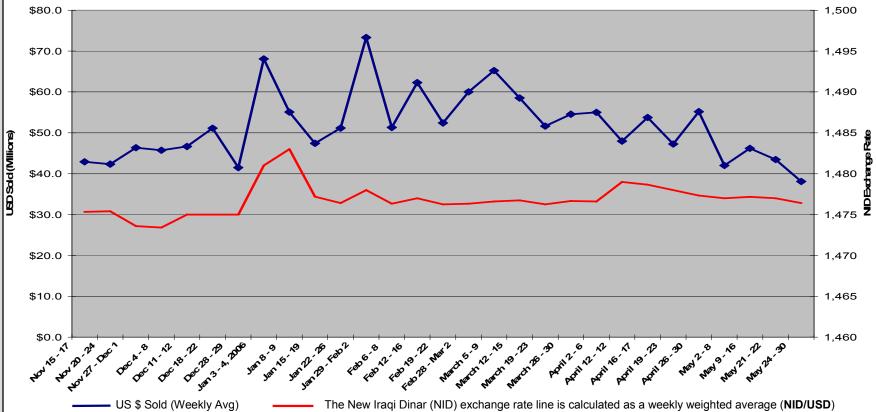
[5.] Help Iraq Strengthen Its Economy - Banking Sector



Central Bank's US Dollar (USD) Currency Auction:

• The following table shows volume sold and exchange rates for USD in the Iraqi currency auction since November 15, 2005. The dinar remained stable against the dollar this week, ending at 1,476 dinars per USD on May 30.

Central Bank of Iraq
USD Currency Auction: November 15, 2005 – May 30, 2006



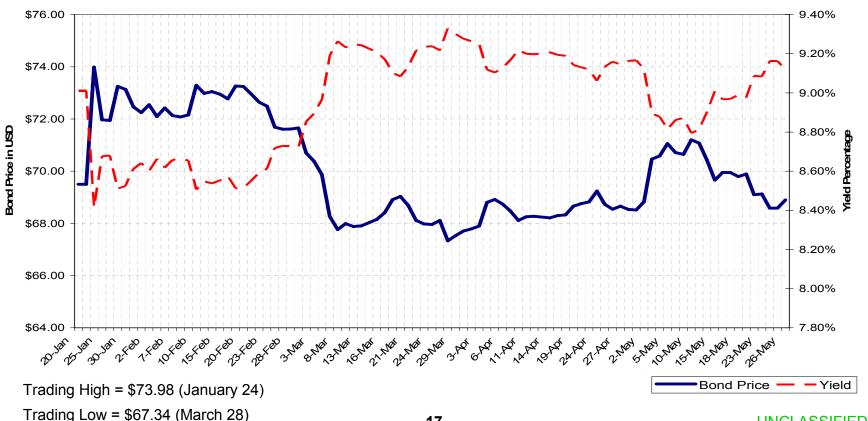
[5.] Help Iraq Strengthen Its Economy – Securities Markets



Trading of Iragi Bonds on the International Secondary Bond Market:

The following table shows the daily bond resale price and yield on Iraqi bonds issued January 20. The bonds were originally issued to about two-thirds of Iraq's commercial creditors as part of a debt exchange arrangement at Paris Club terms. Irag's commercial debt was approximately \$22 billion before the debt-swap arrangement. The bonds, which are not yet rated, will mature in 2028. The bonds' current yield of 9.12 percent remains one of the highest in the world for sovereign debt instruments.

Iraqi Commercial Bond Sales January 20, 2006 - May 26, 2006



[5.] Help Iraq Strengthen Its Economy – Ministry of Finance



The Ministry of Finance (MOF) Budget Execution training program:

- Embassy Baghdad funded a retreat May 29-31 for over 100 budget and accounting officials from Iraqi line ministries and provincial governments. The meeting allowed the Ministry of Finance (MOF) to better educate these officials on the GOI's newly-introduced standard chart of accounts and Financial Management Information Systems (FMIS). This effort to modernize the Iraqi budget system will help Iraq meet its fiduciary responsibilities at a national level and help integrate the country into the world financial community.
- As part of Phase II of the FMIS project, MOF staff members are taking the lead on training future classes of FMIS users, using the program to help build capacity throughout the ministry.
- FMIS is an automated networked accounting and budget execution system, allowing online access and a real-time, transparent, and centralized database for all Iraqi spending agencies. During the first phase, 41 of the 54 units in the MOF were brought into the system. Phase II is connecting the remote spending agencies.

[5.] Help Iraq Strengthen Its Economy – Economic Reporting



Financial Training Seminar:

- Kurdish representatives recently participated in a four-day training seminar USAID specialists on national accounts, which are statistical measures of economic activity, such as inflation and unemployment. Representatives from northern province offices of the Central Organization for Statistics and Information Technology (COSIT) received training in the United Nations System of National Accounts (UN-SNA), the international standard. This is a major step in bringing together important financial information from every province into a single, integrated system.
- USAID's assistance to COSIT will improve the economic reporting in Iraq, creating a stronger environment for investment and growth. The economic statistics gathered and analyzed by COSIT form the basis for economic, monetary, and fiscal policy decisions. USAID's technical assistance to COSIT focuses on needed human and physical capital capacity building, working with national accounts staff, and modernizing facilities.

[5.] Help Iraq Strengthen Its Economy – Private Sector Development



Microfinance Program:

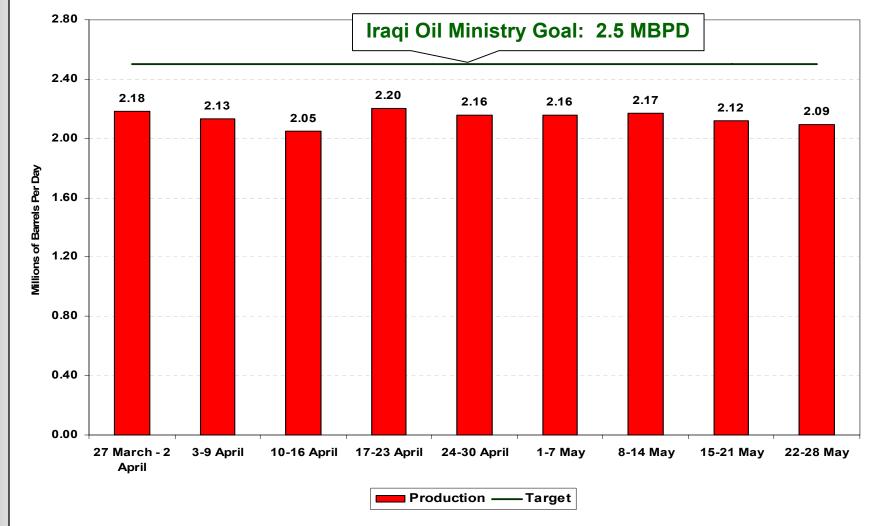
- A new \$250,000 microfinance loan program will soon benefit Baghdad entrepreneurs. The USAID-funded microfinance program is designed to help develop or expand small businesses that create jobs in Iraq. The grantee is a local Iraqi non-governmental organization (NGO), which will evaluate applicants and make loans of up to \$5,000 each to Iraqis living in an area of high unemployment. The program will also on providing business opportunities for women and other disadvantaged groups.
- The program is expected to result in at least 660 loans generating 330 new self-employment opportunities and more than 1,320 new jobs over the next 16 months.

Entrepreneur Conference:

• The International Annual Conference for Women Entrepreneurs, recently held in London, was attended by more than 170 businesswomen from 21 countries: Iraq, Saudi Arabia, Kuwait, UAE, Bahrain, Syria, Lebanon, Palestine, Tunisia, Algeria, Morocco, Sudan, Kenya, South Africa, Uganda, Tanzania, Cyprus, Athens, Italy, US, and UK. Mrs. Talabani, the First Lady of Iraq, attended the gathering and delivered a speech which focused on unemployment in Iraq.

[5.] Help Iraq Strengthen Its Economy – Crude Oil Production

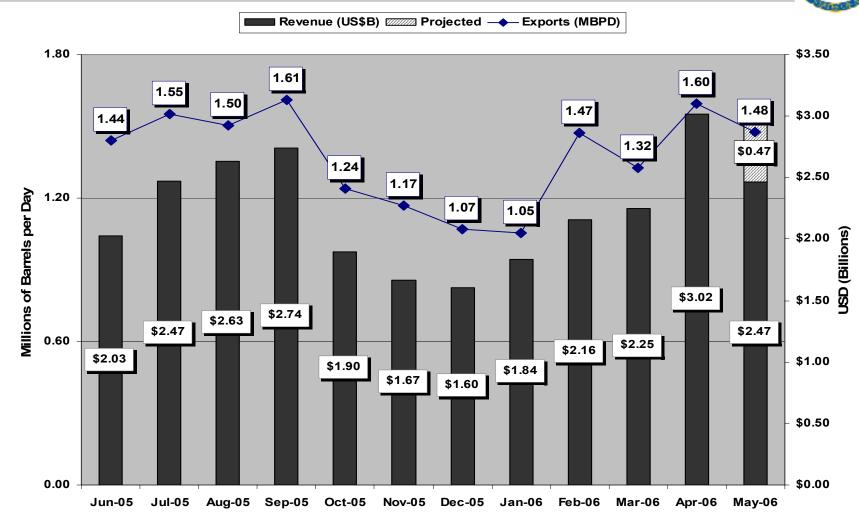




• Weekly Average (May 22-28) of 2.09 Million Barrels Per Day (MBPD)

[5.] Help Iraq Strengthen Its Economy – Crude Oil Export





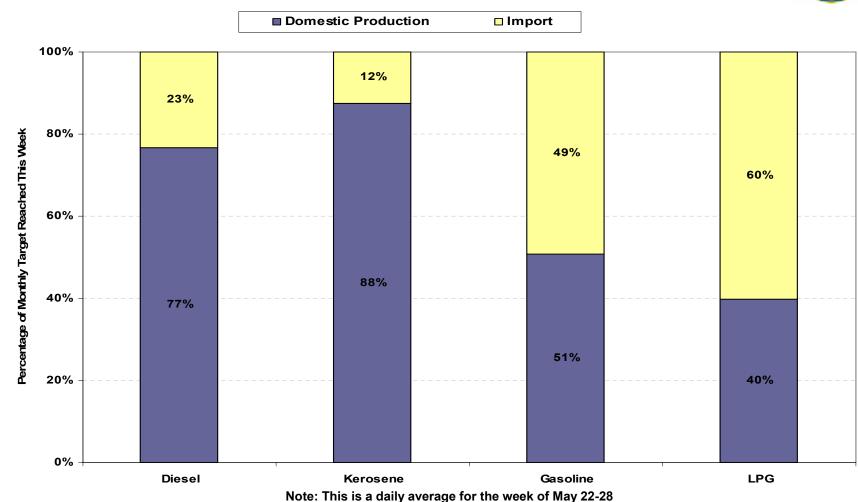
2005 Revenue Estimate:

\$23.5 Billion

• 2006 Revenue Estimate:

\$11.7 Billion (Year to Date)

[5.] Help Iraq Strengthen Its Economy – Total Critical Refined Product Supplies



Diesel: 14.8 ML supply of 20.0 ML target

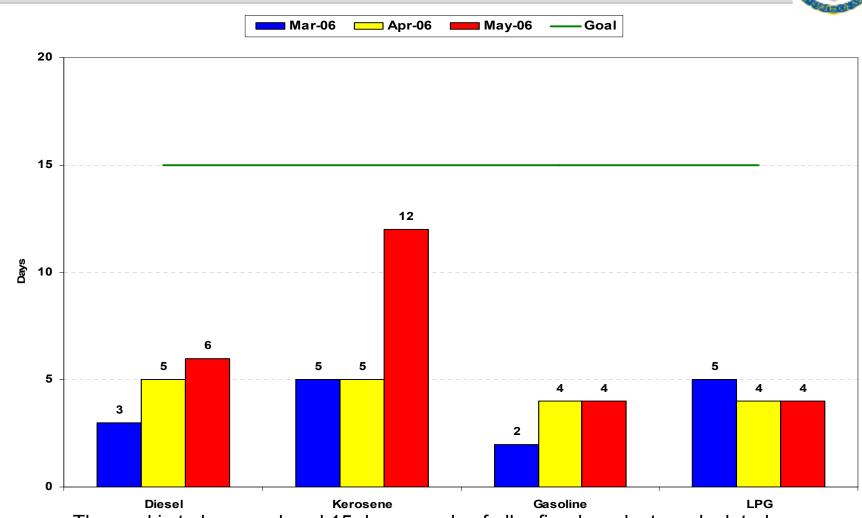
• Kerosene: 5.0 ML supply of 5.5 ML target

• Gasoline: 17.9 ML supply of 20.5 ML target

• LPG: 3,964 tons supply of 4,500 tons target

[5.] Help Iraq Strengthen Its Economy – National Stock Levels





• The goal is to have on hand 15 days supply of all refined products, calculated on the basis of maximum consumption over the year and not adjusted for seasonal variation. The numbers given above are monthly averages.

[6.] Help Iraq Strengthen the Rule of Law and Promote Civil Rights—Iraqi Judicial System



Iraq Announces Arrest of Saddam's Nephew:

 On May 24, Iraq announced the arrest in Lebanon of a nephew of Saddam Hussein for crimes allegedly committed after the fall of Saddam's regime. Prime Minister Nuri al-Maliki did not say when Bashar Sabawi Ibrahim Hassan al-Tikriti was arrested in Beirut nor did he give details on the accusations against him. The announcement said he was arrested with the help of Lebanese police. "Bashar Sabawi al-Tikriti is an important element on the most wanted list due to his ugly crimes against the Iraqi people after the fall of the former regime," the announcement said. It was not clear if al-Tikriti had been extradited. The announcement did not offer any other details about the arrest or about al-Tikriti's background and age, except to say that he is a son of Sabawi Ibrahim Hassan al-Tikriti, one of Saddam's half brothers. "The arrest of the criminal Bashar Sabawi al-Tikriti represents a successful intelligence operation which will continue chasing the former regime elements on the run and bring them back to Iraq to face fair trials," the announcement said.

[6.] Help Iraq Strengthen the Rule of Law and Promote Civil Rights— Iraqi Judicial System



Iran Takes Court Action Against Saddam Over War:

• Iran has filed a lawsuit against ousted Iraqi leader Saddam Hussein for his regime's 1980s war against Tehran, Foreign Minister Manouchehr Mottaki said in a joint statement with his Iraqi counterpart. "The two sides, noting the crimes committed by Saddam Hussein's regime in its aggression against the people of Iraq, Iran and Kuwait, confirmed the need to seek justice for that," the statement read. "To this end the Iranian Republic has passed on to the Foreign Ministry of Iraq a complaint against Saddam and his agents for examination by the Iraqi High Tribunal," where Saddam already faces charges of crimes against humanity, the statement added. The document did not list any specific charges Iran wished to bring against Saddam or any of his aides.

[6.] Help Iraq Strengthen the Rule of Law and Promote Civil Rights— Iraqi Judicial System



Saddam Hussein Trial Continues:

 The defense in the trial of Saddam Hussein said on May 23 that one of its witnesses had been killed and complained of restrictions on presenting its case. The defense did not identify the slain witness or give details on how or when he was killed, but it said the death illustrated the difficulties undermining an effective defense of Saddam and seven former members of his regime. "The defense is not free to present its witnesses the way the prosecution is," one of the defense lawyers told chief judge Rauf Abd al-Rahman. "There are restrictions that limit us, as well as the security provisions necessary to bring the witnesses to the court. Some days ago, one of the witnesses who testified before us was killed." The lawyer, who is among those on the team whose names have not been made public for security reasons, said the defense is limited because some potential witnesses are wanted by the US military or Iraqi government and so won't appear; though he did not elaborate. Saddam and his co-defendants could face the death penalty if found guilty of the killings of 148 Shiite villagers after a failed assassination attempt against the ousted dictator in Dujail in 1982.

[7.] Increase International Support for Iraq – Developments



UN Condemns Violence against Educators:

• On May 30, the head of the United Nations Educational, Scientific and Cultural Organization (UNESCO) condemned the assassination of a senior Iraqi Education Ministry official and denounced the growing number of attacks against educators in the country while also deploring the killing of two CBS television crew members, the latest media professionals to die while covering the war. UNESCO Director-General Koichiro Mastuura said in a statement, "The escalating violence against Education Ministry officials and academics is intolerable. By targeting educators, the perpetrators of such violence are undermining the reconstruction of Iraq and the future of the country and the democracy."

<u>International Public Statements of Support for New Iraqi Government:</u>

 The following countries and international organizations have issued public statements of support for the new Iraqi government: Australia, Austria, Albania, Algeria, Brazil, Bulgaria, Canada, China, Croatia, Czech Republic, Egypt, Estonia, France, Germany, India, Italy, Japan, Jordan, Kuwait, Malta, New Zealand, Norway, Oman, Pakistan, Poland, Russia, Slovenia, Slovakia, Spain, Sweden, Turkey, UAE, Ukraine, UK, Yemen, and the Arab League, European Union, United Nations, and the United Nations Security Council.

[7.] Increase International Support for Iraq – Contributors to Iraqi Stability Operations



Data as of May 26, 2006

28 Countries with forces in Iraq (in addition to US)

Albania	El Salvador	Lithuania	Romania
Armenia	Estonia	Macedonia	Singapore
Australia	Georgia	Moldova	Slovakia
Azerbaijan	Italy	Mongolia	South Korea
Bosnia-Herzegovina	Japan	Netherlands	Ukraine
Bulgaria	Kazakhstan	Poland	UK

Latvia

Denmark

Czech Republic

TOTAL ~ 20,000 Forces

Portugal

*Note: Fiji participating as a part of the UN mission in Iraq.

34 Countries and NATO*

(including US)

Support Iraqi Stability Operations

[8.0] Strengthen Public Understanding of Coalition Efforts and Public Isolation of the Insurgents — Developments



Strategic Communications:

• Prime Minister Nuri al-Maliki appeared live on Iraqi state television on May 31, declaring a state of emergency in Basra for a month and telling reporters that "we hope after this month that we will come back to Basra and see that the situation has improved a lot." In his broadcasted address, he also told tribal leaders and politicians of the city that "we will hit the gangs with an iron fist and those who interfere with the security of the city," adding that security must be allowed to "work without fears and interference of the political parties." And that "Iraq can not be stable unless the law and the sovereignty of Iraq is respected."

[8.0] Strengthen Public Understanding of Coalition Efforts and Public Isolation of the Insurgents — Developments



Strategic Communications:

- Ambassador Zalmay Khalilzad, in a statement regarding an attack on a CBS news crew on May 29, said that, "these brave journalists risked their lives to tell the world the story of a courageous people and a proud nation. The terrorists who committed this evil crime have shown themselves for who they are. They do not want the world to see the truth of what is happening in Iraq, where a determined people are fighting for freedom and liberty. That story must and will be told."
- In a separate statement for a Memorial Day Ceremony at Camp Victory on May 29, Ambassador Khalilzad said that "the establishment of a stable and secure Iraq will be a milestone for this vital region, and is a mission, which combines American interests and ideals. The transformation of the wider Middle East is the defining challenge [of] our time. We must succeed in this mission, and we will succeed."

Special Addendum: Provincial Reconstruction Teams (PRT)



PRT Mission Statement:

 To assist Iraq's provincial governments with developing a transparent and sustained capability to govern, promoting increased security and rule of law, promoting political and economic development, and providing provincial administration necessary to meet the basic needs of the population.

Provincial Reconstruction Team Concept:

 The PRT concept was developed to improve on Regional Embassy Office (REO) and Provincial Support Team (PST) programs. The PRTs are a civil-military operation led by the civilians with extensive support from US and Coalition Forces. The PRTs are an integrated capacity-building effort built around Local Governance Program (LGP) and include support from other agencies to cover all key capacity development needs.

PRT Operations Status:

PRTs have been established in Ninawa, Babil, Kirkuk, Baghdad, and Anbar province. The teams are comprised of representatives from the US Department of State, United States Agency for International Development, Multi-National Force – Iraq, Department of Justice, Gulf Regional Division of the Army Corps of Engineers, Multi-National Corps – Iraq and Coalition partners.

Interested in working in Iraq?

Please visit http://careers.state.gov/opportunities/iraq/index.html for a list of available positions

Iraq Weekly Status – General Information

- This brief draws from multiple sources. References are cited on the following pages.
- Please forward all questions and/or comments to:

NEA-I-IPOG-DL@state.gov

Notes and Source Citations (1 of 3)



Slide 5:

- Defense Link, American Forces Press Service: May 30, 2006 -(http://www.defenselink.mil/news/May2006/20060530 5288.html).
- Press Release MNF-I: May 28, 2006-Release A060528 (http://www.mnf-iraq.com/Daily/May/060528.htm).
- Press Release MNF-I: May 25, 2006-Release A060525 (http://www.mnf-iraq.com/Daily/May/060525.htm).

Slide 6:

- The Advisor, MNSTC-I: May 27, 2006.
- Defense Link, American Forces Press Service: May 26, 2006 -(http://www.defenselink.mil/news/May2006/20060526 5249.html).

Slide 7:

DoD Input to Iraq Weekly Status Report May 31, 2006

Slide 8:

- http://news.yahoo.com/s/nm/20060530/ts nm/iraq maliki ministers dc
- http://today.reuters.com/News/CrisesArticle.aspx?storyId=MAC055259

Slide 9:

NEA Political Section, NEA-I-POL-DL@state.gov

Slide 10:

IRMO Weekly Report, May 30

Slide 11:

 The chart shows average daily power production in megawatt hours (MWh). 120,000 MWh goal equates to 20 hours at 6000 MW average supplied load or 24 hours at 5000 MW average supply load. Currently supplies are not much improved over last year when judged by hours of power, but this is due in part to an influx of new appliances. This has dramatically altered demand and diluted the effect of increased generation capacity on actual results.

Slide 12:

Water

USACE Daily Report – 25 May 06
 GRD-PCO Iraq Reconstruction Update 26 May

Electricity

USACE Daily Report - 26 May 06

Notes and Source Citations (2 of 3)



Slide 13:

Education

- GRD-PCO Iraq Reconstruction Update 26 May

Slide 14:

Emergency Relief

- USAID Iraq Bi-Weekly Update 26 May

Slide 15:

Oil Prices:

Oil Prices are sourced from Bloomberg

Employment Update:

- Information regarding the Employment Update was sourced from the IRMO Weekly Report May 23, 2006
- CERP has not reported figures for some time. Until they report accurate data, the number will remain at 0.
- PCO will be reporting on a bi-weekly basis.

Slide 16:

Information regarding the NID auction was gathered from the Central Bank of Iraq's website: http://www.cbiraq.org.

Slide 17:

Iraqi Bond Prices are sourced from Bloomberg

Slide 18:

USAID Iraq Bi-Weekly Update 26 May

Slide 19:

USAID Iraq Bi-Weekly Update 26 May

Slide 20:

Microfinance Program:

- USAID Iraq Bi-Weekly Update 26 May

Entrepreneur Conference:

Iraqi Business News Sunday 28th of May 2006

Notes and Source Citations (3 of 3)



Slide 21:

-Department of State, NEA-I-ECON, 202-647-9885

Slide 22:

-Department of State, NEA-I-ECON, 202-647-9885

Slide 23:

-Department of State, NEA-I-ECON, 202-647-9885

Slide 24:

-Department of State, NEA-I-ECON, 202-647-9885

Slide 25:

-AP Press Release, <u>Iraq announces arrest of Saddam's nephew</u>

Slide 26:

-AFP Press Release, Iran takes court action against Saddam over war

Slide 27:

-AP Press Release, Saddam trial defense complains of restrictions

Slide 28:

-http://www.europa.eu.int/comm/external relations/irag/intro/index.htm

-http://hosted.ap.org/dynamic/stories/I/IRAQ_IRAN_REACHING_OUT?SITE=KLIF&SECTION=HOME&TEMPLATE=D EFAULT

Slide 29:

DOD Input to Weekly Status Report, updated bi-weekly

Slide 30:

-AFP, "Iraq PM vows 'iron fist' against violence," May 31

Slide 31:

-Reuters, "Iraq PM declares state of emergency in Basra," May 31

-BBC, "Iron fist' to tackle Basra woes," May 31

Slide 32:

-NEA-I-ECON@state.gov